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Marlene H. Dortch, Secretary  
Federal Communications Commission  
Washington, DC 20554

Re: Report of Oral *Ex Parte* Communications  
GN Docket No. 12-268

Dear Ms. Dortch:

This is to report that oral *ex parte* presentations were made with respect to the subject matter of above-referenced docket as follows:

Presenter: **WatchTV, Inc.**, 855 Harbor Court, Southlake, TX 76092-2700  
Represented by: Gregory J. Herman, President and Amy Brown  
Legal Counsel Peter Tannenwald attended meetings with Ms. Gregory and Mr. Odom.

FCC Personnel:

January 14, 2014:

Matthew Berry, Esq., Chief of Staff, **Office of Commissioner Pai**  
Eddie Smith, **Incentive Auction Task Force**  
William T. Lake, Chief, **Media Bureau**  
Barbara A. Kreisman, Chief, and Dorann Bunkin, Senior Policy Counsel,  
Video Division, Media Bureau

January 15, 2014:

Erin McGrath, Esq., Legal Advisor, **Office of Commissioner O'Reilly**  
Clint Odom, Esq., Policy Director, **Office of Commissioner Rosenworcel**

January 16, 2014:

Renee Gregory, Esq. Legal Advisor, **Office of the Chairman**  
Louis Peraertz, Esq., Legal Advisor, **Office of Commissioner Clyburn**

WatchTV, Inc. is the licensee of five Class A television stations in the Portland, Oregon, DMA (Market 22), as well as other Class A and Low Power Television stations in the states of Oregon and Washington. With respect to its Class A stations, it wishes to participate in the upcoming incentive auction.

Mr. Herman reviewed a previously submitted presentation in each of the meetings.<sup>1</sup> He urged the Commission be more transparent and expedient in providing genuine and *bona fide* incentives to attract and maintain the commitments of broadcasters who are strongly considering or plan to participate in the reverse incentive auction. Without more timely incentives, some of these broadcasters will change their minds and pursue other business options.

Incentives for stations to participate should include relief for stations that are currently not profitable from incurring additional operating and capital expenses. These stations should be permitted to go dark and to remain dark until after the incentive auction, with the Commission making an appropriate finding permitting this arrangement under Section 312(g) of the Communications Act. The Commission should also not consider being dark to constitute failure to comply with Class A local programming and minimum hours requirements and should pull back from its recent intensive Class A enforcement efforts.

WatchTV explained the business uncertainty that it faces because it does not know whether its spectrum will be accepted in the auction, when the auction will take place, and when auction proceeds will be distributed. With equipment now reaching an age when it must be replaced, and the traditional business model of Class A stations eroded by migration of national programming to digital streams on full power television stations, a decision must be made soon as to whether or not to invest in replacing equipment and building a new business model. The longer the FCC takes to make decisions and disseminate hard information about how the incentive auction will work, who will be eligible to sell, and how the repacking process will be engineered, the more pressure WatchTV will face to move forward with other business options.

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<sup>1</sup> The previously submitted presentation was a series of PowerPoint slides titled "*Where is the 'I' in the 'VIA'?*" It was submitted in this proceeding (GN Docket No. 12-268) on October 29, 2013, and is available at <http://apps.fcc.gov/ecfs/document/view?id=7520953263>.

The more that it invests in its existing business, the less incentive it will have to participate in the auction, or the higher its selling price will go if it does participate. After some point in time, it will likely not participate at all.

WatchTV also urged that each of the Commissioners, at the Open Meeting scheduled for January 30, 2014, press the Incentive Auction Task force for more detailed project plans and updates for the broadcast television incentive auction. They should ask publicly how the Task Force is encouraging/incentivizing broadcasters with the much needed outreach and what their current message is. Mr. Herman noted that he has made three trips to Washington at his own expense to meet with the FCC about the auction, but no one from the FCC has reached out to him, notwithstanding the significant number of stations in DMA No. 22 that WatchTV operates.

The Commission has often stated that one of its highest priorities, and its most recent public policy emphasis at this time, is to encourage broadcast television stations to participate in the incentive auction. The Commission AND the Incentive Auction Task Force both need to harmonize a variety of sometimes inconsistent historic policies so that they all aim toward achievement of today's highest priority – something that has not been done to date.

Respectfully submitted,



Peter Tannenwald  
Counsel for WatchTV, Inc.

cc: (by e-mail) All Meeting Participants